



FALL 2008

King County Councilmember **Bob Ferguson**

www.kingcounty.gov/ferguson

KING COUNTY BUDGET

Dear Neighbor:

The King County Council is beginning the intensive process of scrutinizing the executive's proposed 2009 budget. Recently, there has been considerable news coverage about the county's forecasted \$90 million shortfall in the general fund, which pays for core county services including the sheriff, courts, jails, elections, and public health. This newsletter provides you with information about the county's budget, the current challenges, and my priorities for 2009.

As chair of the Operating Budget Committee, my most important responsibility is ensuring the efficient use of your hard-earned tax dollars. Tough decisions must be made to balance the 2009 budget. I will continue to focus on those areas that have long been a priority for me:

- **Adopt a balanced budget.** The King County Charter, the basic structural document of our county government similar to a constitution, requires a balanced budget.
- **Maintain public health.** Currently, 157,000 King County adults between the ages of 18 and 64 are uninsured. Preserving access to the public health services provided by King County public health clinics, including the North Public Health Center and Northshore Public Health Center, is critical.
- **Ensure public safety and criminal justice services.** Approximately 70 percent of the general fund pays for law, safety and criminal justice services, such as jail operations, the Sheriff's Office, Superior Court, District Court, the Prosecuting Attorney, and the Office of Public Defense.

In addition to my general fund priorities, I remain committed to improving the county's public transportation system:

- **King County Metro Transit.** As a commuter on route 41 from Northgate, I understand the need for improved bus service. My bus is getting more crowded every week and often is too full to accommodate waiting passengers. Please read the "Metro Funding Update" section of this newsletter to learn more about what is being done to address Metro's budget shortfall.

Thank you for taking the time to read this newsletter. If you have specific questions, please contact me at any time via phone, (206) 296-1001, or via email, bob.ferguson@kingcounty.gov.

Sincerely,


Bob Ferguson



King County

KING COUNTY BUDGET

How big is King County's budget?

King County has a \$5.6 billion annual budget. Each year, these funds pay for a wide variety of services throughout the county from transportation, roads and parks maintenance, to water treatment, neighborhood patrols, and care for children and families in need.

The budget is comprised of two separate types of funds – “dedicated funds” and the “general fund.”

What is the difference between these funds?

A **dedicated fund** is a fund in which the revenues have been collected for a specific purpose and can only be spent for that purpose. For example, bus fares can only be spent on transit and sewer fees can only be used to pay for wastewater treatment. Revenues from voter-approved levies, such as those for parks or emergency medical services, are also placed in dedicated funds. Together, the dedicated funds total approximately \$4.9 billion, or 87.5 percent, of the county's budget.

The remaining \$662 million makes up the **general fund**. The general fund pays for the critical day-to-day operations of county government that are not supported by any other revenues. For example, over 70 percent of the general fund is used to pay for law, safety, and criminal justice services, which include jail operations, the Sheriff's Office, the court system, the Prosecuting Attorney's Office, and the Office of Public Defense. Additionally, the general fund supports elections, public health, and human services.

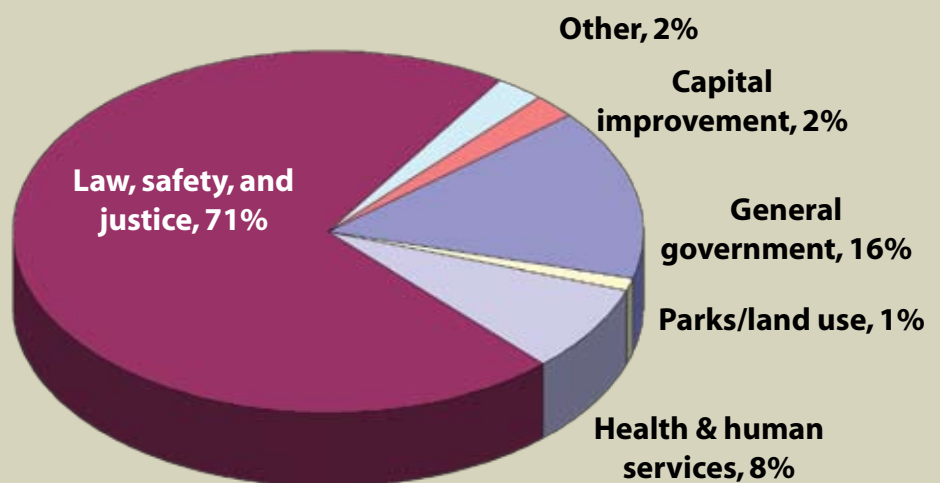
What is King County's 2009 budget outlook?

For 2009, the executive is predicting a \$90 million shortfall in the general fund budget. The county must have a balanced budget, and to meet this requirement, significant expenditure cuts will be needed.

When will budget decisions be made?

- **October 13th:** The executive submits his proposed budget to the council.
- **Late October:** Public hearings will be held to receive public comment.
- **November:** The council will prepare and adopt a final budget.
- **December:** The adopted budget will be sent to the executive for signature.

2008 Adopted General Fund Expenditures \$662.2 Million



KING COUNTY BUDGET

Metro Funding Update

Even county agencies receiving dedicated funds are not immune from current economic conditions. Metro uses more than 10 million gallons of diesel fuel each year. Increased fuel costs have created a \$36 million fuel deficit. The same factor that increases demand for Metro service, the increase in fuel costs, makes the service more costly to provide.

In late July, Metro received another hit to its budget. The executive announced that an unexpectedly sharp drop in sales tax revenue will cost Metro \$40 million in anticipated revenue. Sales tax is Metro's primary source of funding, and this loss, combined with the fuel deficit, means Metro is facing a projected \$70 million annual shortfall starting next year.

The executive initially proposed a \$0.25 fare increase to cover the fuel deficit. A \$0.25 fare increase would cover approximately \$11 million of the shortfall. In light of the sales tax forecast, he withdrew that proposal and increased it to a \$0.50 fare increase.

I recently sponsored a motion stating that any fare increase will only be considered by the council in conjunction with a comprehensive financial plan that balances Metro's revenue and expenditures. The motion provides the executive and Metro officials with direction as to what financial information I will need to see prior to voting on a fare increase. For example:

- A review of transit division assets that could be leased to provide a long-term revenue stream;
- A review of the transit capital program to determine opportunities for additional savings from deferring, restructuring or cancelling planned investments, and;



- A focused revenue strategy that achieves financial policy goals through efforts such as a comprehensive advertising program.

Metro must have a sound financial plan in place before I will approve a fare increase. As a regular commuter on the 41 bus from Northgate, I understand the need for more bus service in King County. I remain committed to improving the county's public transportation infrastructure, and I will continue to work to address Metro's short-term and long-term funding issues.

Budget Questions?

Answers to the following questions can be found on my website, www.kingcounty.gov/ferguson:

- How can citizens be heard during the budget process?
- Why is there a budget shortfall?
- Why do taxes keep going up if property taxes are capped at 1 percent?
- Property values have risen significantly in King County in recent years. Why haven't the tax rolls benefited?



King County Councilmember

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Where do your tax dollars go?

King County collects taxes on behalf of all taxing jurisdictions within the county, including cities, school districts, and other special districts such

as sewer, water, and library districts. While King County collects the taxes, the county's general fund receives only \$0.15 of every property tax

dollar collected. Of the rest, \$0.52 goes to schools, \$0.31 to local and city services, and \$0.02 to the Port of Seattle.

King County residents currently pay a 9 percent sales tax. The state keeps 6.5 percent, 1.3 percent goes to Metro Transit and Sound Transit, 0.1 percent is set aside for mental health services, and the remaining 1.1 percent is split between cities and the county.

King County property tax distribution

52% Schools

**31%
Local
Services**

**15%
King
County**

**2%
Port of
Seattle**

